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**UNION TERRITORY OF LAKSHADWEEP ADMINISTRATION**
**DEPARTMENT OF REVENUE**
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**F.No.A-14/90/2022-COL/722** **Dated.11.08.2026**

## NOTIFICATION

In pursuance of Notification No.22 dated.05.06.2026 published in the Gazette of India, Extraordinary, Part II, Section 1, regarding the promulgation of **The Lakshadweep Excise Regulation, 2026 (No.7 of 2026),** the said Regulation is hereby republished in the Extraordinary Gazette of the Union Territory of Lakshadweep for general information.

This is issued with the approval of Hon'ble Administrator of Lakshadweep vide Diary No.549 dated.05.08.2026.

Sd/-

**(Dr. R. Giri Sankar, IAS)**
Secretary (Revenue)

**MINISTRY OF LAW AND JUSTICE**
**(Legislative Department)**

*New Delhi, the* 5*th June,* 2026/*Jyaishtha* 15, 1948 *(Saka)*

# THE LAKSHADWEEP EXCISE REGULATION, 2026
## No. 7 of 2026

Promulgated by the President in the Seventy-seventh Year of the Republic of India.

*A Regulation to provide for regulating the manufacture, possession, import, export, transport, purchase, sale and consumption of liquor and levy of excise duty on them, in the Union territory of Lakshadweep and for matters connected therewith or incidental thereto.*

In exercise of the powers conferred by article 240 of the Constitution, the President is pleased to promulgate the following Regulation made by her:—

## CHAPTER I

## PRELIMINARY

Short title, extent and commencement.

**1**. (*1*) This Regulation may be called the Lakshadweep Excise Regulation, 2026.

(*2*) It extends to the whole of the Union territory of Lakshadweep.

(*3*) It shall come into force on such date as the Administrator may, by notification in the Official Gazette, appoint.

Definitions.

**2**. In this Regulation, unless the context otherwise requires,—

(*1*) "Administrator" means the Administrator of the Union territory of Lakshadweep appointed by the President under article 239 of the Constitution;

(*2*) "alcohol" means ethyl alcohol of any strength and purity having the chemical composition $C_2H_5OH$;

(*3*) "alcoholic beverage" means a beverage or a liquor or a brew containing more than 0.5 per cent. above the ethanol limit used in the production of alcoholic beverage, which shall be of agricultural origin, provided that its limit shall be zero in case of alcohol-free beer;

(*4*) "Appellate Authority" means the Appellate Authority referred to in section 84;

(*5*) "authorised officer" means an officer authorised by the Administrator to exercise such powers and perform such duties and functions under the provisions of this Regulation and the rules framed thereunder;

(*6*) "beer" means an alcoholic beverage prepared from malt or grain with or without addition of sugar and hops and includes black beer, ale, stout, porter and such other substance as may be specified by the Administrator, by notification.

*Explanation*.—For the purposes of this clause, "hops" mean ripened cones of female hop plant used for giving flavour to malt liquor;

(*7*) "black jaggery" means coarse brown sugar made from palm trees or cane juice ordinarily unfit for human consumption, but contains sufficient quantity of fermentable sugar for manufacture of ethyl alcohol;

(*8*) "blending" means mixing of two or more spirits of different strengths and different qualities;

(*9*) "bottle" means a bottle for excisable articles of such type or description as may be or as may have been permitted by the Excise Commissioner from time to time and includes can and pouch;

(*10*) "brewery" means premises where beer is manufactured and includes every place therein where beer is stored or wherefrom it is issued;

(*11*) "compounding" means the manufacture of alcoholic beverage by addition to spirit of a flavouring or colouring matter or both;

(*12*) "contagious disease" means a communicable disease that can spread rapidly from person to person through direct contact (touching a person who has the infection), indirect contact (touching a contaminated object), or droplet contact (inhaling droplets made when a person who has the infection coughs, sneezes, or talks);

(*13*) "country liquor or traditional liquor" means plain or spiced spirit which has been manufactured in India from material recognised as base for country or traditional spirit, namely, mahua, rice, gur, molasses or other traditional spirit;

(*14*) "denaturant" means any substance completely miscible in spirit and of such a character that its addition renders the material, or any aqueous dilution of it, non-potable;

(*15*) "Deputy Commissioner" means the Deputy Commissioner appointed or designated under section 5;

(*16*) "District Excise Officer" means the District Excise Officer appointed or designated under section 5;

(*17*) "Excise Commissioner" means the officer appointed or designated as Excise Commissioner by the Administrator under section 3;

(*18*) "Excise Officer" means any officer or person appointed or invested with powers under this Regulation;

(*19*) "excise revenue" means revenue derived or derivable from any payment, duty, fee, tax, confiscation or fine imposed or ordered under this Regulation, or of any other law for the time being in force relating to liquor, but does not include fine imposed by a Court of law;

(*20*) "export" means to take out of the Union territory of Lakshadweep to any other State or Union territory within the country;

(*21*) "foreign liquor" means any liquor imported by land, sea or air, into India;

(*22*) "Government" means the Union territory Administration of Lakshadweep;

(*23*) "import" means to bring into the Union territory of Lakshadweep from any other State or Union territory of the country;

(*24*) "Indian liquor" means liquor manufactured in India by process of distillation or using alcohol obtained by distillation, such as, whisky, brandy, rum, gin, vodka, but does not include country liquor or fermented liquor.

*Explanation*.—For the purposes of this clause, "fermented liquor" means liquor obtained by the process of fermentation and includes beer, ale, stout, porter wine and any other similar liquor;

(*25*) "licence" means a licence granted under this Regulation;

(*26*) "liquor" means any alcoholic beverage and includes whisky, brandy, beer, wine, toddy, vodka, gin, tequila, country liquor, arrack and intoxicating liquid consisting of or containing alcohol besides any similar substance which the Administrator may, by notification, declare to be liquor for the purposes of this Regulation;

(*27*) "malt" means germinated barley;

(*28*) "manufactory" means any distillery, brewery, winery or any establishment distilling, brewing, manufacturing, blending or bottling liquor.

*Explanation*.—For the purposes of this clause,—

(*a*) "distillery" means premises where spirit is manufactured and includes every place therein where it is stored or wherefrom it is issued;

(*b*) "winery" means premises where wine is manufactured and includes every place therein where wine is stored or wherefrom it is issued;

(*29*) "manufacture" includes any process,—

(*a*) incidental or ancillary to the completion of a manufactured liquor; or

(*b*) whether natural or artificial, by which any liquor is produced or prepared and also re-distillation and every process for the rectification, reduction, flavouring, blending or colouring of liquor; or

(*c*) which, in relation to liquor, involves packing or repacking in a bottle or unit package, or labelling or re-labelling of bottles or unit package, including the declaration or alteration of maximum retail price on it, or adoption of any other treatment on the liquor for sale to consumers:

Provided that labelling of bottles or unit packages, imported into India or into the Union territory of Lakshadweep, to comply with statutory requirements, shall not be construed as manufacture;

(*30*) "manufacturer" means any person who manufactures Indian liquor and includes a manufacturer of alcohol subject to excise duty under the Central Excise Act, 1944; 1 of 1944.

(*31*) "maximum retail price" means the maximum price at which the liquor may be sold to the ultimate consumer and shall include all taxes, freight, transport charges, commission or trade margin payable to dealers, including charges towards marketing, delivery, packing, forwarding and the like, as the case may be;

(*32*) "molasses" means heavy dark coloured viscose liquid produced from residual syrup, drained away in the final stage of the manufacture of gur or sugar including khandasari sugar from sugarcane or gur, when liquid as such or in any form or admixture containing sugar which can be fermented;

(*33*) "notification" means a notification published in the Official Gazette of the Union territory of Lakshadweep and the term "notify" or "notified" shall be construed accordingly;

(*34*) "permit" means an authorisation granted under this Regulation and the rules made thereunder;

(*35*) "police station" means the police station having jurisdiction over the place or any other place, which the Administrator may, by notification, declare to be a police station for the purposes of this Regulation;

(*36*) "prescribed" means prescribed by rules made by the Administrator under this Regulation;

(*37*) "special duty" means a tax on the import of any excisable article, being an article on which countervailing duty as is mentioned in entry 51 of List II in the Seventh Schedule to the Constitution, is not imposable on the ground merely that such article is not being manufactured or produced in the territory;

(*38*) "spirit" means any liquor containing alcohol obtained by distillation, whether denatured or not;

(*39*) "still" means an apparatus for distillation or manufacture of spirits and includes any part thereof;

(*40*) "transport" means to move from one place to another within the Union territory of Lakshadweep;

(*41*) "Union territory" means the Union territory of Lakshadweep;

(*42*) "warehouse" means a place where storage of liquor is permitted and includes a relevant part of manufactory; and

(*43*) "wine" shall be the un-distilled alcoholic beverage produced by the partial or complete alcoholic fermentation of the juice of fresh sound ripe grapes, including grape juice concentrate, restored or un-restored pure condensed grape must, and raisins:

Provided that a vintage wine is a wine made from grapes, of which at least 85 per cent. were grown in a particular year and labelled as such and the yield of the season of wine from a vineyard is a vintage wine.

## CHAPTER II

### ESTABLISHMENT AND CONTROL

Appointment of Excise Commissioner.

**3**. The Administrator may, by notification, appoint or designate an officer as the Excise Commissioner who shall be the chief controlling authority for administration of this Regulation in the Union territory.

Powers and functions of Excise Commissioner.

**4**. The Excise Commissioner shall exercise and perform the following powers and functions, namely:—

(*a*) to regulate, control and monitor the manufacture, possession, import, export, transport, sale, purchase and consumption of liquor;

(*b*) to curb illegal trade in liquor and illicit distillation;

(*c*) to protect excise revenues of the Union territory and ensure prompt recovery;

(*d*) to submit returns and information as required by this Regulation or the rules made thereunder, upon all matters concerning excise;

(*e*) to ensure social well-being through education for responsible drinking;

(*f*) to take adequate steps for imparting training to the excise staff in preventive and detective work;

(*g*) to coordinate in matters covered under this Regulation with other authorities;

(*h*) to introduce e-governance in various aspects of excise administration and to maintain the national network information on manufacture, possession, transport, sale, import or export of liquor.

*Explanation*.—For the purposes of this clause, "e-governance" means information and communication technology to promote efficient and cost-effective services to the public;

(*i*) to submit to the Administrator an annual report on the administration of this Regulation in such form as may be prescribed; and

(*j*) to perform such other functions and to exercise such other powers as may, from time to time, be entrusted or delegated to him by the Administrator.

Appointment of officers and staff.

**5**. The Administrator may appoint or designate such number of Deputy Commissioners, District Excise Officers and such other officers and staff as he may deem fit for the purpose of performing the functions under this Regulation.

Excise Administration.

**6**. (*1*) Subject to the provisions of sub-section (*1*) of section 12, the Administrator may issue licence or permit to any Government Corporation, or Government company, or Government agency, or any autonomous body owned or controlled by the Government, for the purposes of import and retail vending of liquor in the Union territory.

(*2*) Save as otherwise provided in sub-section (*1*), the Deputy Commissioner shall be the licensing authority who shall exercise all powers and functions under this Regulation, subject to the general control and supervision of the Excise Commissioner.

(*3*) The Deputy Commissioner shall, within the limits of his jurisdiction, exercise such other powers and perform such duties and functions as are assigned by or under the provisions of this Regulation subject to such control as the Administrator or the Excise Commissioner may from time to time, direct.

(*4*) The District Excise Officer and other subordinate officers shall assist the Deputy Commissioner in exercising his functions.

Delegation and withdrawal of powers.

**7**. (*1*) The Administrator may, by order, delegate his powers to the Excise Commissioner, subject to such limitations and conditions as may be specified in such order.

(*2*) The Excise Commissioner or the Deputy Commissioner may, by order, delegate their powers under this Regulation to any subordinate officer, subject to such limitations and conditions as may be specified in such order.

(*3*) The Administrator or Excise Commissioner or the Deputy Commissioner, as the case may be, may, by order, withdraw from any officer or person, any or all the powers delegated to subordinate officers under this section.

Investing persons with special powers.

**8**. The Administrator may, by notification, invest the power with any officer of the Union territory, not being an Excise Officer, to perform all or any of the powers or functions of any Excise Officer under this Regulation.

Reward for exemplary performance.

**9**. The Excise Commissioner may grant such reward to such officers and employees under this Regulation and also to such informers for such work, subject to such terms and conditions, as may be prescribed.

## CHAPTER III

### LICENCE AND PERMIT FOR MANUFACTURE, POSSESSION, SALE, ETC., OF LIQUOR

Prohibition of manufacture, sale, import, export, etc., of liquor.

**10**. (*1*) No person shall construct or establish any manufactory or warehouse or bottle, or possess, sell, collect, transport, transit, import, export or purchase any liquor, or use, keep or have in his possession any still, utensil, implement, apparatus, label, cork, capsule or seal, for manufacture of any liquor except under the authority and in accordance with the terms and conditions of a letter of intent, licence or permit granted under this Regulation or the rules made thereunder:

Provided that possession of labels, corks or capsules by its printer or manufacturer, as the case may be, shall not amount to illegal possession constituting an offence if the label, cork or capsule is printed or manufactured under the authority from the holder of the licence to manufacture liquor under this Regulation.

(*2*) No person shall engage in the manufacture of alcohol exclusively for industrial use unless he is registered with the Excise Commissioner in such manner as may be prescribed.

Grant of letter of intent, licence or permit.

**11**. Every letter of intent, licence or permit under this Regulation shall be granted on payment of such fees, for such period, and subject to such terms and conditions and in such form and shall contain such particulars, as may be prescribed.

Qualification for grant of licence or permit.

**12**. (*1*) While considering an application for grant of a licence or permit, the authorised officer shall ensure that the applicant—

(*a*) is a citizen of India;

(*b*) is above eighteen years of age;

(*c*) is not a defaulter, or blacklisted, or debarred from holding an excise licence;

(*d*) submits an affidavit as a proof for the following, namely:—

(*i*) that he possesses or has an arrangement for taking on rent a suitable premises for conducting the business and the said premises is located more than fifty meters away from any medical institution, educational institution, religious institution, women hostel, orphanage, hospital, primary health centre or community health centre;

(*ii*) that the premises have not been constructed in violation of any law for the time being in force;

(*iii*) that he possesses a good moral character and has no criminal background nor has been convicted of any offence punishable under this Regulation or any other law for the time being in force;

(*iv*) that he shall not employ any salesman or worker or representative who has criminal background or suffers from any infectious or contagious diseases or is below eighteen years of age;

(*v*) that he does not owe any public dues or dues to the Administration;

(*vi*) that he is solvent and has the necessary funds or has made arrangements for the necessary funds, for conducting the business; and

(*vii*) that the details of funds for conducting the business shall be made available to the authorised officer, if so required.

(*2*) The licence or permit shall be liable for cancellation if any statement made in the affidavit or any document produced with the application is found to be false or forged.

Power to take security and counterpart agreement.

**13**. Subject to such conditions as may be prescribed, the authority granting a licence under this Regulation may require the licensee to—

(*a*) give security for the observance of the terms of his licence; and

(*b*) execute a counterpart agreement in conformity with the tenure of his licence.

Technical defects in licence and permit.

**14**. (*1*) No licence or permit granted under this Regulation shall be deemed to be invalid by reason merely of any technical defect, irregularity or omission in the licence or permit, or in any proceeding conducted prior to grant thereof.

(*2*) The decision of the licensing authority, on the technical defect, irregularity or omission shall be conclusive and binding.

Power to withdraw and permit.

**15**. (*1*) Whenever the authority which granted a licence or permit under this Regulation considers that such licence or permit should be withdrawn for any reason, it may do so, on expiry of a period of twenty-one days' notice of its intention to do so forthwith, after giving a reasonable opportunity of being heard and assigning the reasons therefor in writing.

(*2*) If any licence or permit is withdrawn, the licensee or the permit holder shall be paid such sum, by way of compensation, as the authority who granted licence or permit may direct and refund any fee paid in advance or deposit made by the licensee in respect thereof, after deducting the amount recoverable by the Government.

Power to suspend or cancel licence and permit.

**16**. (*1*) Subject to such restrictions, as may be prescribed, the authority who granted licence or permit under this Regulation may, after giving reasonable opportunity of being heard, suspend or cancel the licence or permit, in the following circumstances, namely:—

(*a*) if the licence or permit is transferred or sublet by the holder thereof without the permission of the said authority; or

(*b*) if any excise revenue payable by the holder thereof is not duly paid; or

(*c*) in the event of any breach of the terms and conditions of such licence or permit by the holder or by his employee or agent; or

(*d*) if the holder of the licence or permit, or the agent or employee of such holder, is convicted of an offence punishable under this Regulation or under any other law for the time being in force, relevant to and connected with excise matters or relating to excise revenue or of any cognizable and non-bailable offence; or

(*e*) if the purpose for which the licence or permit was granted ceases to exist; or

(*f*) if the licence or permit has been obtained through misrepresentation or fraud.

(*2*) When a licence or permit held by such person is cancelled under sub-section (*1*), the authority referred to therein may cancel any other licence or permit granted to such person under this Regulation or under any other law relating to excise revenue.

(*3*) In the case of cancellation or suspension of licence or permit under sub-section (*1*), the fee payable for the balance of the period for which any licence or permit shall have been valid but for such cancellation or suspension, may be recovered from the licensee who held the licence before such cancellation or suspension as excise revenue.

(*4*) The holder of a licence or permit shall not be entitled to any compensation for the cancellation or suspension thereof nor shall be entitled to refund of any fee paid or deposit made, if any, in respect thereof.

Bar to right of renewal and compensation.

**17**. No person, to whom a licence or permit has been granted, shall be entitled to claim right of any renewal thereof, and no claim shall lie for damages or otherwise in consequence of any refusal to renew a licence or permit on the expiry of the period for which the same remains in force.

Surrender of licence or permit.

**18**. No holder of a licence or permit granted under this Regulation shall surrender his licence or permit except on the expiration of one month's notice, in writing, given by him to the Deputy Commissioner, of his intention to surrender the same on payment of the fee payable for such licence or permit for the whole period for which it shall have been valid but for the surrender:

Provided that if the Deputy Commissioner is satisfied that there are sufficient reasons for surrendering the licence or permit, he may remit to the holder thereof the sum so payable or any portion thereof, on surrender.

Transfer of licence or permit.

**19**. The licence or permit granted under this Regulation shall not be transferable except with the prior approval of the Excise Commissioner or any officer authorised by him in this behalf, subject to such terms and conditions, as may be prescribed.

Grant of exclusive privilege of manufacturing, etc., of any liquor.

**20**. Subject to the provisions of this Regulation and subject to such terms and conditions, as may be prescribed, the Excise Commissioner may grant to any person, a licence or lease, or both, either jointly or severally, for the exclusive privilege or for manufacture, supplying by wholesale or sale by retail, or both, any liquor within any local area.

Removal of liquor from manufactory warehouse, etc., on payment of duty.

**21**. No liquor shall be removed from any manufactory, warehouse or other place of storage established under this Regulation, unless duty and fee payable have been paid or a bond, as may be prescribed, has been executed for the payment thereof.

Prohibition of sale to certain persons.

**22**. No person, or licensed vendor, or his employee or agent, shall sell or deliver any liquor to any person under the age of twenty-one years whether for consumption by self or of others.

Prohibition of employment of certain persons.

**23**. No licensee shall employ or permit to be employed in his premises any person under the age of eighteen years or who is suffering from any contagious disease.

Closure of shops for preservation of public peace.

**24**. The District Magistrate or any other officer authorised by him may, by a notice in writing to the licensee, require that any shop in which any liquor is sold shall be closed at such times or for such period as he may think necessary, for preservation of public peace:

Provided that the closure days in the licensing year shall not exceed seven days in all or more than three days continuously at any given time:

Provided further that if the Excise Commissioner or an officer authorised by him in this behalf is of the opinion that any particular shop or all shops in any particular area shall be closed for a period exceeding seven days in a licensing year, or more than three days continuously at any given time, he may, with the prior sanction of the Administrator, permit to do so.

## CHAPTER IV

### EXCISE REVENUE

Nature and components of excise revenue.

**25**. The excise revenue shall be levied and recovered under the following heads, namely:—

(*a*) duty;

(*b*) licence fee;

(*c*) label registration fee; and

(*d*) import or export fee.

Excise duty.

**26**. (*1*) There shall be levied and collected in the manner provided by this Regulation and the rules made thereunder, at such rates, not exceeding the rates set forth in the Schedule, as the Administrator may, by notification, specify, a duty of excise or a countervailing duty or a special duty, as the case may be, on all liquor of the descriptions notified by the Administrator from time to time, being manufactured or produced in, or imported into, the Union territory, from the person so manufacturing or producing or importing:

Provided that no such duty shall be levied on toddy when used for the manufacture of jaggery, vinegar, yeast or neera, or when drunk as such.

*Explanation*.—For the purposes of this section, it is hereby declared that in any notification issued under this section, it shall not be necessary to specify separately the rate of countervailing duty or special duty and, unless otherwise provided in such notification expressly, any rate specified in such notification as the rate of excise duty in respect of any description of liquor shall be deemed to be also the rate of countervailing duty or a special duty, as the case may be, in respect of such description of liquor.

(*2*) There shall be levied and collected a fee for issue of licence or permit subject to such terms and conditions, as may be prescribed.

(*3*) There shall be levied and collected the import, export or transport duties assessed in such manner as may be prescribed.

Recovery of duty and levies on property of defaulter.

**27**. (*1*) All duties, fees, taxes, fines payable to the Government under this Regulation may be recovered from the persons liable to pay the same, or from his surety, or his agent, as if they were arrears of land revenue.

(*2*) In the event of default by any person to whom a licence or permit has been granted under this Regulation, his manufactory, warehouse, shop or premises and all fittings, apparatus, stocks of liquor or materials for the manufacture of the same, held therein, shall be liable to be attached towards any claim for excise revenue or in respect of any loss incurred by the Government through such default and be sold to satisfy such claim, which shall be a first charge upon the proceeds of such sale.

(*3*) Where the duty due is not levied or not paid or short-levied or short-paid or erroneously refunded,—

(*a*) the District Excise Officer may, within a period of three years from the relevant date, serve notice on the person chargeable with the duty of excise, which has not been levied or paid, or which has been short-levied or short-paid, or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice:

Provided that where the service of the notice is stayed by an order of a Court, the period of such stay shall be excluded in computing such period of three years.

*Explanation*.—For the purposes of this clause, "relevant date" means,—

(*i*) in cases in which duty of excise has not been paid or has been short-levied or short-paid, the date on which the duty is to be paid under this Regulation or the rules made thereunder;

(*ii*) in a case where duty of excise is provisionally assessed under this Regulation or the rules made thereunder, the date of adjustment of duty after the final assessment thereof; and

(*iii*) in a case where the duty of excise has been erroneously refunded, the date of such refund; and

(*b*) the District Excise Officer shall, after considering the representation, if any, made by the person on whom notice is served under clause (*a*), determine the amount of duty of excise due from such person (not being in excess of the amount specified in the notice) and thereupon such person shall pay the amount so determined.

Interest payable for failure to pay excise revenue.

**28**. If the duty of excise payable by a person under this Regulation or the rules made thereunder is not paid within time, he shall be liable to pay on the sum due, a simple interest at the rate of twelve per cent. per annum from the day next following the day on which such payment became due:

Provided that where the duty determined to be payable is reduced or increased by the Appellate Authority or the Court, the interest shall be payable on such reduced or increased amount of duty, as the case may be.

Power to reduce or waive interest in certain cases.

**29**. Notwithstanding anything contained in this Regulation, the Excise Commissioner may, on an application made in this behalf by a person, with the approval of the Administrator and after recording his reason for so doing, reduce or waive the amount of any interest payable by him under this Regulation, if he is satisfied that—

(*a*) to do otherwise would cause genuine hardship to the person having regard to the circumstances of the case; and

(*b*) the person has cooperated in any proceeding for the recovery of any amount due from him.

Excise revenue to be paid irrespective of pendency of any writ petition, suit, etc.

**30**. Notwithstanding that a writ petition has been preferred or a suit or other proceeding has been instituted in any Court, or any appeal has been filed before any Court or Tribunal or before the Excise Commissioner, or a revision has been filed before the Administrator, any sum due to the Government under this Regulation as a result of demand or order made or passed by any officer or authority empowered in this behalf by or under this Regulation, shall be payable in accordance with such demand or order unless and until such payment has been stayed by such Court or Tribunal or Excise Commissioner or Administrator.

Accounts and returns.

**31**. Every licensee shall maintain such accounts and submit to the concerned officers such returns in such forms, containing such particulars relating to stock, apparatus, excise duty or fee payable or paid, and such other information at such interval, as may be prescribed.

## CHAPTER V

### OFFENCES AND PENALTIES

Offences relating to manufacture, sale, import, etc.

**32**. Whoever manufactures, imports, exports, transports or removes any liquor, in contravention of any of the provisions of this Regulation or of any rule made, or notification or order issued, thereunder, or of any condition of licence or permit granted or issued thereunder, shall be punishable,—

(*a*) where the liquor involved in the offence is less than such value, as may be prescribed, with imprisonment for a term which shall not be less than one year, but which may extend to five years, and with fine which shall not be less than fifty thousand rupees or five times of the value of liquor, whichever is higher;

(*b*) where the liquor involved in the offence exceeds such value, as may be prescribed, with imprisonment for a term which may extend to seven years, and with fine, which may extend to one lakh rupees or five times of the value of liquor, whichever is higher.

Offences relating to manufactory or warehouse.

**33**. Whoever constructs or works in any manufactory or warehouse, in contravention of any of the provisions of this Regulation, or of any rule made, or notification or order issued, thereunder, or of any condition of licence or permit granted or issued thereunder, shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to fifty thousand rupees, or with both.

Offences relating to bottling of liquor for sale.

**34**. Whoever bottles any liquor for the purposes of sale, in contravention of any of the provisions of this Regulation, or of any rule made, or notification or order issued, thereunder, or of any condition of licence or permit granted or issued thereunder, shall be punishable with imprisonment for a term which may extend to one year, and with fine which may extend to one lakh rupees or five times of the value of liquor, whichever is higher.

Offences relating to uses, keeps or possession, etc.

**35**. Whoever uses, keeps or possesses any materials, still, utensils, implements or apparatus whatsoever for the purposes of manufacturing any liquor, in contravention of any provisions of this Regulation, or of any rule made, or notification or order issued, thereunder, or of any condition of licence or permit granted or issued thereunder, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to twenty thousand rupees, or with both.

Offences relating to possessing any material or film, etc., for packing liquor.

**36**. Whoever possesses any material or film, either with or without Union territory logo or wrapper or any other thing in which liquor can be packed, or any apparatus or implement or machine for the purpose of packing any liquor, in contravention of any of the provisions of this Regulation, or of any rule made, or notification or order issued, thereunder, or of any condition of licence or permit granted or issued thereunder, shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to fifty thousand rupees, or with both.

Offences relating to sale, transport, possession or buying of liquor beyond prescribed quantity.

**37**. Whoever sells, transports, possesses or buys any liquor beyond such quantity, as may be prescribed, in contravention of any of the provisions of this Regulation, or of any rule made, or notification or order issued, thereunder, or of any condition of licence or permit granted or issued thereunder, shall be punishable with imprisonment for a term which may extend to three months, and with fine which may extend to one lakh rupees or five times of the value of liquor, whichever is higher.

Punishment for not holding valid licence or permit.

**38**. If any offence referred to in sections 32, 33, 34, 35, 36 and 37 is committed by a person not holding valid licence or permit under this Regulation, he shall be liable to twice the fine provided for such offence.

Punishment for rendering denatured spirit fit for human consumption.

**39**. Whoever renders or attempts to render fit for human consumption any spirit which has been denatured, or has in his possession any spirit in respect of which he knows or has reason to believe that any such attempt has been made, shall be punishable with imprisonment for a term which shall not be less than two years, but which may extend to three years, and with fine which may extend to two lakh rupees or five times of the value of liquor, whichever is higher.

*Explanation*.—For the purposes of this section, "denatured spirit" means the spirit with an added denaturant to render it effectively and permanently unfit for human consumption.

Punishment for mixing noxious substance with liquor.

**40**. Whoever mixes or permits to be mixed with any liquor sold or manufactured or possessed by him, any noxious drug or any foreign ingredient, likely to cause disability or grievous hurt or death to human being, shall be punished,—

(*a*) if as a result of such an act, death is caused to any person, with imprisonment for a term which shall not be less than ten years, but which may extend to imprisonment for life and shall also be liable to fine, which may extend to ten lakh rupees; or

(*b*) if as a result of such an act, disability or grievous hurt is caused to any person, with imprisonment for a term which shall not be less than seven years but which may extend to ten years, and with fine which may extend to five lakh rupees; or

(*c*) if as a result of such an act, any other consequential injury is caused to any person, with imprisonment for a term which may extend to one year and shall also be liable to fine which may extend to two lakh fifty thousand rupees; or

(*d*) if as a result of such an act, no injury is caused to any person, with imprisonment which may extend to six months and with fine which may extend to one lakh rupees or five times the value of liquor, whichever is higher.

*Explanation*.—For the purposes of this section, the expression "grievous hurt" shall have the same meaning as assigned to it in section 116 of the Bharatiya Nyaya Sanhita, 2023. 45 of 2023.

Order to pay compensation.

**41**. (*1*) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, the Court, when passing an order under this Regulation may, if it is satisfied that death or injury has been caused to any person due to consumption of liquor sold in any place, order the manufacturer or seller, whether or not he is convicted of an offence, to pay, by way of compensation, an amount not less than three lakh rupees to the legal representatives of each deceased, or two lakh rupees to the person to whom grievous injury has been caused, or twenty thousand rupees to the person for any other consequential injury: 46 of 2023.

Provided that where such liquor is sold in a licensed shop, the liability to pay the compensation under this section shall be on the licensee.

(*2*) Any person aggrieved by an order under sub-section (*1*) may, within a period of thirty days from the date of order, prefer an appeal to the High Court:

Provided that no appeal shall be filed by the accused unless the amount ordered to be paid under sub-section (*1*) is deposited by him in the Court:

Provided further that the High Court may entertain an appeal after the expiry of the said period of thirty days if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.

Offences relating to selling Indian liquor as foreign liquor.

**42**. Whoever sells, or keeps, or exposes for sale, as foreign liquor which he knows or believes it to be Indian liquor, shall be punishable with imprisonment which may extend to six months, and with fine which may extend to one lakh rupees or five times the value of liquor, whichever is higher.

Punishment for possession of liquor unlawfully imported or for non-payment of duty, etc.

**43**. Whoever has in his possession, any liquor, knowing that it shall be liable to penalty for having unlawfully imported, transported or manufactured, or knowingly avoids payment of duty for possession of liquor, shall be punishable with imprisonment for a term which may extend to six months and with fine which may extend to one lakh rupees, or five times the value of liquor, whichever is higher.

Punishment for allowing consumption of non-medicated liquor.

**44**. (*1*) If a chemist, druggist, apothecary or keeper of a dispensary, allows any liquor which has not been bonafidely medicated for medicinal purposes to be consumed on his business premises by any person, he shall be punishable with fine which may extend to five thousand rupees.

(*2*) If any person consumes liquor on a business premises referred to in sub-section (*1*), he shall be punishable with fine which may extend to two thousand rupees.

Punishment for consumption of liquor in public place.

**45**. Whoever consumes liquor in a public place, in contravention of the any of the provisions of this Regulation, or of any rule made, or notification or order issued, thereunder, shall be punishable with fine which may extend to five thousand rupees.

Offences relating to consumption of liquor in public place and creates nuisance.

**46**. Whoever consumes liquor in public place and creates nuisance, in contravention of the any of the provisions of this Regulation, or of any rule, notification or order made thereunder, shall be punishable with imprisonment for a term which may extend to three months, and with fine which may extend to ten thousand rupees.

Offences relating to anti-social element at liquor establishments.

**47**. Whoever permits drunkenness or allows assembly of anti-social elements, on the premises of liquor establishments in contravention of the any of the provisions of this Regulation, or of any rule made, or notification or order issued, thereunder, shall be punishable with imprisonment for a term which may extend to six months, and with fine which may extend to fifty thousand rupees.

Offences relating to advertisement.

**48**. Whoever prints, publishes or gives an advertisement in any media soliciting use of any liquor, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to ten lakh rupees, or with both:

Provided that this section shall not apply to catalogue or price list or advertisement generally or specially approved by the Excise Officer for the purposes of display at the points of sale for consumer information and education.

Punishment for abetment and conspiracy.

**49**. Any person who unlawfully releases or abets escape of any person arrested under this Regulation, or abets the commission of offence under this Regulation, or engages himself in a criminal conspiracy for contravention of the any of the provisions of this Regulation, shall be punishable with imprisonment for a term which may extend to one year, and with fine which may extend to fifty thousand rupees.

Punishment for employing persons under age of eighteen years or selling liquor to persons under age of twenty-one years.

**50**. If any licence holder or any person acting in his behalf, sells or delivers any liquor to any person apparently under the age of twenty-one years or employs any person under the age of eighteen years, he shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to fifty thousand rupees, or with both.

Punishment for assault and obstruction.

**51**. Notwithstanding anything contained in the Bharatiya Nyaya Sanhita, 2023, any person who assaults or threatens to assault or obstructs or attempts to obstruct any Excise Officer in the discharge of his official duties, shall be punishable with imprisonment for a term which may extend to two years, and with fine which may extend to one lakh rupees. 45 of 2023.

Liability of employer for offence committed by employee or agent.

**52**. The holder of a licence or permit granted or issued under this Regulation, shall be liable for any offence committed by his employee or his agent, unless he proves that due and reasonable precautions were exercised by him to prevent commission of such offence.

Punishment for manufacture, sale or possession by one person on account of another.

**53**. (*1*) Where any liquor has been manufactured or sold or is possessed by any person on account of any other person and such other person knows, or has reason to believe, that such manufacture or sale was or that such possession is, on his account, such liquor shall, for the purposes of this Regulation, be deemed to have been manufactured, sold or to be in the possession of such other person.

(*2*) Nothing in sub-section (*1*) shall absolve any person who manufactures, sells or has possession of any liquor on account of another person, from liability to any punishment under this Regulation for unlawful manufacture, sale or possession of such liquor.

Punishment for misconduct of licence.

**54**. Whoever, being the holder of a licence or permit granted or issued under this Regulation, or being in the employment of such holder and acting on his behalf, fails to produce such licence or permit on demand by any Excise Officer or any other officer duly empowered to make such demand, shall be punishable with fine which may extend to fifty thousand rupees.

Offences for breach of conditions of licence.

**55**. Whoever, being the holder of a licence or permit granted or issued under this Regulation, or being in the employment of such holder and acting on his behalf, wilfully does or omits to do anything in breach of any of the conditions of his licence or permit otherwise than provided in this Regulation, or fails to print the maximum retail price on the label or tampers with it, shall be punishable with imprisonment for a term which may extend to six months, and with fine which may extend to one lakh rupees.

Punishment for not submitting returns.

**56**. Whoever, being the holder of a licence or permit granted or issued under this Regulation, or being in the employment of such holder and acting on his behalf, fails to submit returns, shall be punishable with fine which may extend to one lakh rupees, and ten thousand rupees per day for any subsequent delay.

Punishment for non-payment of excise duty or fee.

**57**. (*1*) If any person fails to pay any duty or fee under this Regulation, he shall be punishable with imprisonment for a term which may extend to one year and also with fine which may extend to one lakh rupees.

(*2*) Without prejudice to sub-section (*1*), the person referred to therein shall also be liable to pay interest on delayed payment and damages at such rates as may be imposed.

Offences relating to false statement made in declaration or affidavit or periodic returns.

**58**. Whoever, in any declaration or affidavit or periodic return made to an Excise Officer, makes a statement which is false or found to be false, after due verification or which he believes to be false or does not believe it to be true, touching any point material to the object for which the statement is made or used, shall be punishable with imprisonment for a term which may extend to one year, and with fine which may extend to fifty thousand rupees.

Allowing premises, etc., to be used for commission of offence.

**59**. Whoever, being a licensee and having the control or use of any house, room, enclosure, space, animal or conveyance, knowingly permits it to be used for commission by any other person of an offence punishable under any of the provisions of this Regulation, shall be punishable in the same manner as if he had himself committed the said offence.

Offences relating to attempt to commit offence.

**60**. Whoever attempts to commit any offence punishable under this Regulation, shall be liable for half the punishment provided for such offence under this Regulation.

Punishment for making vexation search, seizure, detention or arrest.

**61**. Any Excise Officer or other person, who with vexatious intention and without reasonable ground for suspicion,—

(*a*) enters or searches or causes to be entered or searched any closed place under the guise of exercising any power conferred by this Regulation; or

(*b*) seizes the movable property of any person on the pretext of seizing or searching for any article liable to confiscation under this Regulation; or

(*c*) searches, detains or arrests any person; or

(*d*) exceeds his lawful powers under this Regulation,

shall be punishable with fine which may extend to ten thousand rupees.

Punishment for refusing to perform or withdraw from duty.

**62**. Any Excise Officer who, without lawful excuse, refuses to perform, or withdraws himself from the duties of his office, unless expressly allowed to do so in writing by the Excise Commissioner, or unless he has given to his superior officer two months' notice in writing of his intention so to do, or who shall be guilty of cowardice, shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to ten thousand rupees, or with both.

Punishment for offences not otherwise provided for.

**63**. Whoever, does any act in contravention of any of the provisions of this Regulation, or any rule made, or notification or order issued, thereunder and punishment for such contravention has not been provided under this Regulation, shall be punishable with imprisonment for a term which may extend to six months, and with fine which may extend to ten thousand rupees or five times the value of the liquor, whichever is higher.

Presumption as to commission of offence in certain cases.

**64**. (*1*) In a prosecution under section 32, 33, 34, 35, 36 or section 37, it shall be presumed, until the contrary is proved, that the accused person has committed the offence punishable under that section in respect of any liquor, still, utensil, implement or apparatus, for the possession of which he is unable to account satisfactorily.

(*2*) Where any animal, vessel, cart or other vehicle is used in the commission of any offence under this Regulation, and is liable to confiscation, the owner thereof shall be deemed to be guilty of such offence and such owner shall be liable to be proceeded against and punished accordingly unless he satisfies the Court that he had exercised due care in the prevention of the commission of such an offence.

Enhanced punishment after previous conviction.

**65**. If any person, after having been previously convicted of an offence punishable under this Regulation, subsequently commits and is convicted for the same offence, he shall be liable to twice the punishment provided for the first conviction subject to the maximum punishment provided for such offence and with twice the fine amount provided under the first conviction, or with both.

Power of Court to implead manufacturer, etc.

**66**. Where at any time during the trial of any offence under this Regulation alleged to have been committed by any person, not being the manufacturer, distributor or dealer of any liquor, the Court is satisfied, on the evidence adduced before it, that such manufacturer, distributor or dealer is also concerned with that offence, then, the Court may, notwithstanding anything contained in sub-section (*3*) of section 358 of the Bharatiya Nagarik Suraksha Sanhita, 2023, proceed against him under the respective provisions of this Chapter.

46 of 2023.

Commission of offence by companies.

**67**. (*1*) If the person committing an offence under this Regulation is a company, the company and every person who at the time the offence is committed was in-charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence, shall be deemed to be guilty of such offence, and shall be liable to be proceeded against and punished accordingly:

Provided that where a company has different establishments or branch, the concerned Chief Executive and the person in-charge of such establishment, branch or unit, nominated by the company as responsible for the conduct of business, shall be liable for that offence in respect of such establishment, branch or unit:

Provided further that nothing in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Regulation has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be liable to be proceeded against and punished accordingly.

*Explanation*.—For the purposes of this section,—

(*a*) "company" means any body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

Procedure after investigation in case of offences.

**68**. (*1*) The authorised Excise Officer shall, after investigation of any offence committed under this Regulation, send his report to the Deputy Commissioner.

(*2*) The Deputy Commissioner shall, after scrutiny of the investigation report sent to him under sub-section (*1*), decide within such period as may be prescribed, and on the basis of the gravity of offence, that the matter be referred to—

(*a*) a Court of ordinary jurisdiction in case of offences punishable with imprisonment for a term which may extend to three years; or

(*b*) a special Court in case of offences punishable with imprisonment for a term exceeding three years, where such Special Court is established, and in case no Special Court is established, such cases shall be tried by a Court of ordinary jurisdiction.

(*3*) The Deputy Commissioner shall communicate his decision to the concerned Excise Officer, who shall launch prosecution before a Court of ordinary jurisdiction or a Special Court, as the case may be.

Procedure for adjudication in case of other contraventions.

**69**. (*1*) Any other contravention under this Regulation shall be adjudicated by an Adjudicating Officer.

(*2*) The Administrator shall, by notification, appoint an officer not below the rank of an Additional District Magistrate of the district where the alleged contravention occurred, to be the Adjudicating Officer for adjudication in such manner as may be prescribed.

(*3*) The Adjudicating Officer shall, after giving the person a reasonable opportunity for making representation in the matter, and if, on such inquiry, he is satisfied that the person has contravened the any of the provisions of this Regulation or any rule made, or notification or order issued, thereunder, impose such penalty as he thinks fit in accordance with the provisions relating to that contravention.

(*4*) The Adjudicating Officer shall have the powers of a Civil Court and all the proceeding before him shall be deemed to be—

(*a*) a judicial proceeding within the meaning of sections 229 and 267 of the Bharatiya Nyaya Sanhita, 2023; 45 of 2023.

(*b*) a Court for the purposes of sections 384 and 385 of the Bharatiya Nagarik Suraksha Sanhita, 2023. 46 of 2023.

(*5*) While adjudicating the quantum of penalty under this Chapter, the Adjudicating Officer shall have due regard to the provisions of section 71.

Compounding of certain offences.

**70**. (*1*) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, the offences punishable under sections 44, 45, 54, 56 and 61 may either before or after the institution of any proceeding, be compoundable under this Regulation. 46 of 2023.

(*2*) Any person who is reasonably suspected of having committed an offence specified under sub-section (*1*) may apply to the District Excise Officer for compounding of the offence.

(*3*) On receipt of an application under sub-section (*2*), the District Excise Officer, having regard to the circumstances of the case, may at his discretion order for compounding of the offence on payment of such sum of money by way of compounding fee or compensation for the offence, in accordance with such guidelines as may be prescribed.

(*4*) On payment by the person such sum of money specified under sub-section (*3*), no proceeding shall be instituted or continued against such person in any Criminal Court:

Provided that the sum of money fixed as compounding fee or compensation by the District Excise Officer under this section shall not be less than five times but not more than ten times the duty involved or the value of liquor, apparatus, vehicle and other material, whichever is higher:

Provided further that where liquor, apparatus, vehicle or other material is seized, the same shall not be released but shall be disposed of in such manner as may be prescribed.

(*5*) Where the composition of any offence is made after the institution of any prosecution, such composition shall be brought by the District Excise Officer in writing, to the notice of the Court in which the prosecution is pending and on such notice of the composition of the offence being given, the person in relation to whom the offence is so compounded shall be discharged.

General provisions relating to determination of fine or penalty.

**71**. While adjudging the quantum of fine or penalty under this Chapter, the Court or the Adjudicating Officer, as the case may be, shall have due regard to the following, namely:—

(*a*) the amount of gain or unfair advantage, wherever quantifiable, made as a result of the contravention;

(*b*) the amount of loss caused or likely to cause to the Government or any person as a result of the contravention;

(*c*) the repetitive nature of the contravention;

(*d*) whether the contravention is without his knowledge; and

(*e*) any other relevant factor.

Certain things liable to confiscation.

**72**. Whenever an offence punishable under this Regulation has been committed, the following things shall be liable to confiscation, namely:—

(*a*) any liquor, material, still, utensil, implement apparatus in respect of or by means of which such offence has been committed;

(*b*) any liquor unlawfully imported, transported, manufactured, sold or brought along with, or in addition to any liquor, liable to confiscation under clause (*a*);

(*c*) any receptacle, package, or covering in which anything liable to confiscation under clause (*a*) or clause (*b*) is found, and the other contents, if any, of such receptacle package or covering; and

(*d*) any animal, vehicle, vessel, or other conveyance used for carrying liquor.

Confiscation by Deputy Commissioner in certain cases.

**73**. (*1*) Notwithstanding anything contained in this Regulation or any other law for the time being in force, where anything liable for confiscation under section 72 is seized or detained under the provisions of this Regulation, the officer seizing or detaining such property shall, without any unreasonable delay, produce the said seized property before the Deputy Commissioner.

(*2*) On production of the property seized under sub-section (*1*), the Deputy Commissioner, if satisfied that an offence has been committed under this Regulation, may, whether or not a prosecution is instituted for the commission of such offence, order for confiscation of such property, or otherwise he may order for its return to the rightful owner.

(*3*) While making an order of confiscation under sub-section (*2*), the Deputy Commissioner may also order that such of the properties to which the order of confiscation relates, which, in his opinion, cannot be preserved or are not fit for human consumption, be destroyed.

(*4*) Whenever any confiscated article has to be destroyed under this section, it shall be destroyed in the presence of the Excise Officer ordering the confiscation or forfeiture, as the case may be, or in the presence of an Excise Officer not below the rank of an Inspector.

(*5*) Where the Deputy Commissioner, after passing an order of confiscation under sub-section (*2*), is of the opinion that it is expedient in the public interest so to do, he may order the confiscated property or any part thereof to be sold by public auction or dispose it of otherwise.

(*6*) The Deputy Commissioner shall submit a report of all particulars of confiscation to the Excise Commissioner within a period of one month of such confiscation.

(*7*) Any liquor, mahua flowers or molasses and any other property if confiscated in a case compounded under section 70 or in respect of which an offence has been committed and the offender is not known or cannot be found, shall be disposed of in such manner as may be prescribed.

Order of confiscation and destruction not to interfere with other punishment.

**74**. (*1*) The order of any confiscation under section 73 shall not prevent imposition of any other punishment to which the person affected thereby is liable under this Regulation.

(*2*) Notwithstanding anything contained in any other law for the time being in force, the non-production of confiscated property before the trial Court due to disposal of such property, shall not affect the proceeding under this Regulation:

Provided that the samples of liquor and the photographs of the confiscated property may be preserved to meet the evidentiary requirements.

Confiscated articles to vest in Administrator.

**75**. (*1*) Subject to the provisions of this Regulation, when any article, animal or thing is duly confiscated either by order of Court or otherwise, such article, animal or thing shall be made over to the Deputy Commissioner for disposal in such manner and on payment of such fees, as may be prescribed.

(*2*) When an order for confiscation of any property has been passed under section 73 and such order has become final in respect of the whole or any portion of such property, such property or portion thereof, as the case may be, shall vest in the Administrator, free from all encumbrances.

## CHAPTER VI

### DETECTION, INVESTIGATION AND TRIAL OF OFFENCES

Power to obtain information.

**76**. The Excise Commissioner or any authorised Excise Officer may, by order, require any person or any establishment deemed reasonably connected with any unlawful handling of liquor, to furnish to him such information as may be specified in that order.

Landholders, officers and others to give information.

**77**. (*1*) Whenever any liquor is manufactured, exported, imported or transported, collected, possessed or sold, in contravention of any provisions of this Regulation, the owner or occupier of the land or building or his agent, and every officer of police and land revenue department, local bodies and block development office shall, in the absence of reasonable excuse, be bound to give notice of the fact to a Magistrate or to an officer of the Excise Department as soon as the fact comes to their knowledge.

(*2*) Every Excise Officer shall be bound to give immediate information to his immediate superior, of all breaches of any of the provisions of this Regulation, which may come to his knowledge under sub-section (*1*) or otherwise.

Power of arrest, search and seizure.

**78**. (*1*) The authorised Excise Officer may search any place, or seize any article, or arrest or detain any person, if there is a reasonable doubt that such place, article or person is involved in commission of any offence under this Regulation:

Provided that no search shall be deemed to be irregular by reason only of the fact that witness for the search is not inhabitant of the locality in which the place searched is situated.

(*2*) Save as otherwise expressly provided in this Regulation, the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023 relating to search, seizure, arrest, detention, summons and investigation shall apply, as far as may be, to all actions taken under this Regulation.

46 of 2023.

Duty of police to accept seized articles.

**79**. Every officer-in-charge of a police station shall take charge of and keep in safe custody, pending the orders of a Magistrate or of the Deputy Commissioner, all articles seized under this Regulation, which may be delivered to him and shall allow any officer of the Excise Department who may accompany such articles, to affix his seal to such articles and to take samples of and from them and all samples so taken shall also be sealed with the seal of the officer-in-charge of the police station.

*Explanation.*—For the purposes of this section, "officer-in-charge" means the Excise Officer authorised to supervise and control manufactory or warehouse.

Offences under this Regulation to be cognizable.

**80**. All offences under this Regulation shall be cognizable and the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023, shall apply to them.

46 of 2023.

Certain offences to be non-bailable.

**81**. The offences punishable under this Regulation with imprisonment of two years and more, shall be non-bailable and the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023, with respect to non-bailable offences, shall apply to those offences.

46 of 2023.

Power of Court to try cases summarily.

**82**. Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, the Magistrate shall have the power to try summarily in accordance with the provisions contained in sections 285 to 288 of that Sanhita, all or any of the offences which are punishable under this Regulation with imprisonment for a term not exceeding six months, or with fine, or with both. 46 of 2023.

Security for good conduct and abstaining from committing offences.

**83**. (*1*) Whenever any person is convicted of an offence punishable under this Regulation and the Court convicting him is of the opinion that such person habitually commits or attempts to commit, or abets the commission of such offence and that it is necessary to require such person to execute a bond for abstaining from the commission of any such offence, the Court may, at the time of passing sentence on such person, order him to execute a bond for a sum proportionate to his means, with or without sureties, for abstaining from the commission of such offence during such period, not exceeding three years, as it thinks fit to fix.

(*2*) The bond referred to in sub-section (*1*) shall be in such form in terms of the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023 and shall, in so far as they are applicable, apply to all matters connected with such bond as if it were a bond to keep the peace ordered to be executed under section 125 of that Sanhita. 46 of 2023.

(*3*) If the conviction is set aside on appeal or otherwise, the bond so executed under this section shall become void.

(*4*) An order under this section may also be made by an Appellate Court or by the High Court when exercising its power of revision.

## CHAPTER VII

### APPEAL AND REVISION

Appeals to Appellate Authority.

**84**. (*1*) Any person aggrieved by any decision or order passed under this Regulation by an Excise Officer, may appeal to the Deputy Commissioner.

(*2*) Any person aggrieved by any decision or order of the Deputy Commissioner, may appeal to the Excise Commissioner.

(*3*) An appeal under this section shall be filed within a period of thirty days from the date of receipt of such decision or order together with self-attested copy thereof:

Provided that a further period of thirty days may be allowed, if the appellant establishes that sufficient cause prevented him from filing the appeal within the said period of thirty days.

Procedure in appeal.

**85**. (*1*) At the hearing of an appeal, an appellant may be allowed to go into any ground not specified in the grounds of appeal or take additional evidence where necessary, if it is established that such omission was not wilful or unreasonable.

(*2*) The Appellate Authority may, after making such further inquiry as may be necessary, pass such order, as he thinks fit, just and proper, confirming, modifying or annulling the decision or order appealed against, as the case may be.

(*3*) The appeal shall be heard and decided within a period of six months from the date on which such appeal is filed:

Provided that if an appeal is not decided within the period specified, the relief prayed for in the appeal shall be deemed to have been granted.

Order of Appellate Authority.

**86**. (*1*) The order of the Appellate Authority disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for the decision.

(*2*) The Appellate Authority shall communicate the order passed by him to the appellant and the Excise Officer or Deputy Commissioner, as the case may be, whose order formed the subject matter of appeal.

Power of Excise Commissioner to rectify mistakes apparent from record.

**87**. The Excise Commissioner may, at any time within six months from the date of the order, with a view to rectifying any mistake apparent from the record, amend any order passed by him and shall make such amendments if the mistake is brought to his notice by any of the parties to the appeal:

Provided that an amendment which has the effect of enhancing an assessment or reducing a refund or otherwise increasing the liability of the other party, shall not be made under this section unless the Excise Commissioner has given notice to the appellant of his intention so to do and has granted him an opportunity of being heard.

Revision of orders by Excise Commissioner.

**88**. (*1*) The Excise Commissioner may, on his own motion, call for the record of any proceeding in which an officer subordinate to him has taken any decision or passed an order under this Regulation, including those related to the grant, issue or refusal to grant a licence, for the purpose of satisfying himself as to the legality or propriety of any such decision or order and may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Chapter, pass such order thereon as he thinks fit.

(*2*) No order, which is prejudicial to any person, shall be passed under this section unless the person has been given an opportunity of being heard.

(*3*) The Excise Commissioner shall communicate the order passed by him under sub-section (*1*) to such person and the Excise Officer or Deputy Commissioner, whose order formed the subject matter of revision.

(*4*) No order under this section shall be passed by the Excise Commissioner in respect of any issue, if an appeal against such issue is pending before the Deputy Commissioner.

(*5*) No order under this section shall be passed after the expiry of a period of six months from the date on which the order sought to be revised has been passed.

Deposit of duty or fee demanded or penalty of fine levied, pending appeal.

**89**. (*1*) Where in any appeal under this Chapter, the decision or order appealed against relates to any duty or fee demanded or any penalty or fine levied under this Regulation, the person desirous of appealing against such decision or order shall, pending the appeal, deposit with the Excise Officer, the duty or fee as demanded or the penalty or fine levied, if such amount exceeds one lakh rupees.

(*2*) Where in any particular case, the Appellate Authority is of the opinion that the appellant has a *prima facie* case in his favour and deposit of duty demanded or penalty levied would cause undue hardship to such person, the Appellate Authority may dispense with such deposit and stay its recovery subject to such conditions as he may deem fit to impose so as to safeguard the interest of revenue.

(*3*) Where an application is filed for dispensing with the deposit of duty or fee demanded or penalty or fine levied under sub-section (*2*), the Appellate Authority shall, where it is possible so to do, decide such application within a period of thirty days from the date of its filing.

(*4*) Notwithstanding anything contained in sub-section (*1*), no recovery action shall be initiated against the appellant until the application under sub-section (*3*) has been decided by the Appellant Authority.

Appeal to High Court.

**90**. (*1*) Any Government Corporation or Government company or Government agency or any autonomous body owned or controlled by the Government referred to in sub-section (*1*) of section 6, is aggrieved by the order of the Administrator may file an appeal to the High Court.

(*2*) An appeal shall lie to the High Court from an order passed in appeal by the Excise Commissioner, if the High Court is satisfied that the case involves a substantial question of law.

(*3*) The Government or the other party aggrieved by any order passed by the Excise Commissioner may file an appeal to the High Court and such appeal under this sub-section shall be—

(*a*) filed within a period of sixty days from the date on which the order appealed against is received by the Government or the other party;

(*b*) accompanied by a fee of ten per cent. of the amount involved or two thousand rupees, whichever is higher, where such appeal is filed by the other party;

(*c*) in the form of a memorandum of appeal precisely stating therein the substantial question of law involved.

(*4*) Where the High Court is satisfied that a substantial question of law is involved in any case, it shall formulate that question.

(*5*) The appeal shall be heard only on the question so formulated, and the respondent shall, at the hearing of the appeal, be allowed to argue that the case does not involve such question:

Provided that nothing in this sub-section shall be deemed to take away or abridge the power of Court to hear, for reasons to be recorded in writing, the appeal on any other substantial question of law not formulated by it, if it is satisfied that the case involves such question of law.

(*6*) The High Court shall decide the question of law so formulated and deliver such judgment thereon containing the grounds on which decision is founded and may award such cost as it deems fit.

(*7*) The High Court may determine any issue which—

(*a*) has not been determined by the Excise Commissioner;

(*b*) has been wrongly determined by the Excise Commissioner, by reason of a decision of such question of law as is referred to in sub-section (*2*).

(*8*) An Appeal under this section shall be heard by a bench of not less than two judges of the High Court, and shall be decided in accordance with the opinion of such judges or of the majority, if any, of such judges.

(*9*) Where there is no such majority, the judges shall state the point of law upon which they differ and the case shall, then, be heard upon that point only by one or more of the other judges of High Court and such point shall be decided according to the opinion of the majority of the judges who have heard the cases including those who first heard it.

(*10*) Save as otherwise provided in this section, the provisions of the Code of Civil Procedure, 1908, relating to the appeals to the High Court shall as far as may be, apply in cases of appeal under this section. 5 of 1908.

Sums due to be paid notwithstanding appeal before High Court.

**91**. Notwithstanding that an appeal has been preferred to the High Court, sums due to the Government as a result of an order passed by the Excise Commissioner shall be payable in accordance with the order so passed:

Provided that nothing contained in this section or Chapter shall affect the inherent powers of the High Court for granting stay on the recovery of such amount.

## CHAPTER VIII

### MISCELLANEOUS

Measures, weights and testing instruments.

**92**. Every person, who manufactures or sells any liquor under a licence granted under this Regulation, shall—

(*a*) supply himself with such measures, weights and instruments as the Excise Commissioner may specify in this behalf, and keep the same in good condition; and

(*b*) on the requisition of any Excise Officer, at any time to measure, weight or test any liquor in his possession in such manner as the said Excise Officer may require.

Power of Administrator to declare what shall be deemed to be liquor.

**93**. The Administrator may, by notification, declare as to what shall be deemed to be liquor for the purposes of this Regulation or the rules made thereunder.

Power of Administrator to regulate drinking and to enforce prohibition.

**94**. The Administrator may issue such order and take such measures as may be deemed appropriate to regulate drinking of liquor or to enforce prohibition of such drinking in the whole or any part of the Union territory.

Powers of Administrator to regulate molasses, black jaggery, mahua flower, etc., to prevent misuse.

**95**. The Administrator may make rules to regulate movement, possession and sale of molasses, black jaggery, mahua flower, etc., indicating terms and conditions as are necessary and expedient to prevent their misuse for illicit distillation.

Power to regulate advertisement.

**96**. No advertisement, direct or surrogate, shall be made for promoting consumption of liquor:

Provided that the Excise Commissioner may, at his discretion, allow such advertisement which is educative and promotes responsible drinking.

Power of Administrator to declare limit of sale by retail and by wholesale.

**97**. The Administrator may, by notification, declare in respect of the whole of the Union territory or to any local area comprised therein, as regards to purchasers generally or any specified class of purchasers and generally or for any specified occasion, the maximum or minimum quantity, or both, of a liquor, which for the purposes of this Regulation, may be sold by retail and by wholesale.

Bar of certain suits.

**98**. No suits for damages shall lie in any Civil Court against the Administrator or any officer or person for any act done in good faith, or ordered to be done in pursuance of this Regulation or of any other law for the time being in force relating to excise revenue.

Power of Administrator to make rules.

**99**. (*1*) The Administrator may, by notification, make rules not inconsistent with the provisions of this Regulation, for carrying out the provisions of this Regulation.

(*2*) In particular, and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely:—

(*a*) the form in which an annual report shall be submitted by the Excise Commissioner under clause (*i*) of section 4;

(*b*) the terms and conditions for grant of reward to the officers and employees, and informers for the work under section 9;

(*c*) the manner of registration for the purpose of manufacture of alcohol exclusively for industrial use under sub-section (*2*) of section 10;

(*d*) the fees, period, terms and conditions and form, for grant of licence or permit under section 11;

(*e*) the conditions for security and counterpart agreement under section 13;

(*f*) the restrictions on power of the licensing authority to suspend or cancel licence or permit under sub-section (*1*) of section 16;

(*g*) the terms and conditions subject to which transfer of licence or permit may be made under section 19;

(*h*) the terms and conditions for granting of licence or lease under section 20;

(*i*) the bond to be executed for removal of liquor from manufactory, warehouse, etc., under section 21;

(*j*) the terms and conditions for collection of fee for issue of licence or permit under sub-section (*2*), and the manner of assessment of import, export and transport duties under sub-section (*3*), of section 26;

(*k*) the returns, forms and the particulars and such other information to be submitted by the licensee under section 31;

(*l*) the value of liquor which may be less than or exceed under clauses (*a*) and (*b*), respectively, of section 32;

(*m*) the quantity of the liquor to be sold, transported, possessed or bought by the manufacturer under section 37;

(*n*) the period within which any major offence may be referred by the Deputy Commissioner under sub-section (*2*) of section 68;

(*o*) the manner of adjudication by an Adjudicating Officer under sub-section (*2*) of section 69;

(*p*) the guidelines for compounding under sub-section (*3*) and the manner in which the liquor, apparatus, vehicle or other material seized shall be disposed of under sub-section (*4*) of section 70;

(*q*) the manner in which any liquor, mahua flowers or molasses and any other confiscated property shall be disposed of under sub-section (*7*) of section 73;

(*r*) the manner and fees for disposal of confiscated property under sub-section (*1*) of section 75;

(*s*) the regulation of movement, possession and sale of molasses, black jaggery, mahua flower, etc., under section 95;

(*t*) any other matter which is to be, or may be prescribed under this Regulation.

Laying before Parliament.

**100**. Every rule made, or notification or order issued, under this Regulation shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification or order, or both Houses agree that the rule or notification or order should not be made, the rule or notification or order shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification or order.

Power to remove difficulties.

**101**. (*1*) If any difficulty arises in giving effect to the provisions of this Regulation, the Administrator may, by order published in Official Gazette, make such provisions, not inconsistent with the provisions of this Regulation, as may appear to it to be necessary, for removing the difficulty:

Provided that no order shall be made under this section after the expiry of a period of two years from the date of commencement of this Regulation.

(*2*) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Repeal and savings.

Reg. 5 of 1979.

**102**. (*1*) The Lakshadweep Prohibition Regulation, 1979 is hereby repealed.

Reg. 5 of 1979.

(*2*) The repeal of the Lakshadweep Prohibition Regulation, 1979 (herein referred to as the repealed Regulation),—

(*a*) shall not affect the previous operation of the repealed Regulation or the rules made thereunder in respect of anything duly done or suffered thereunder;

(*b*) shall not affect any right, privilege, obligation or liability acquired, accrued or incurred under the repealed Regulation or the rules made or orders issued thereunder; and

(*c*) the provisions of the repealed Regulation shall continue to apply to any proceeding, inquiry or appeal pending immediately before the commencement of this Regulation, as if the repealed Regulation has not been repealed.

10 of 1897.

(*3*) Without prejudice to the provisions of sub-section (*2*), the provisions of section 6 of the General Clauses Act, 1897 shall apply with regard to the effect of repeal.

Regulation to override other laws.

**103**. Notwithstanding anything contained in any law, regulation and rules prevailing at the time of this Regulation is brought into force, if such provision of law, regulation and rule is repugnant to, or inconsistent with any of the provision of this Regulation, cease to be operative to the extent of such repugnancy or inconsistency.

Regulation to override custom or usage.

**104**. Any custom or usage prevailing at the time of this Regulation is brought into force, if such custom or usage is repugnant to, or inconsistent with any of the provision of this Regulation, cease to be operative to the extent of such repugnancy or inconsistency.

THE SCHEDULE

(*See* section 26)

| Sl. No. | Description of Liquor | Rate |
|---|---|---|
| (1) | (2) | (3) |
| 1 | Indian made Foreign Liquor and Foreign Liquor | 400% of the last selling price |
| 2 | Wine | 80% of the last selling price |
| 3 | Beer | 200% of the last selling price |

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DROUPADI MURMU,
*President.*

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DR. RAJIV MANI,
*Secretary to the Govt. of India.*

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